



Rules and Ancillary Document Review Checklist
(This form must be filled out electronically.)

All responses should be in **bold** format.

Document Reviewed (include title) and date last adopted:

- **WAC 458-40-630: Timber excise tax—Stumpage value—General Definition. (12/31/86)**
- **WAC 458-40-632: Timber excise tax—Taxable stumpage value—Private Timber. (12/61/86)**
- **WAC 458-40-634: Timber excise tax—Taxable stumpage value—Small harvester option. (12/29/95)**
- **WAC 458-40-636: Timber excise tax—Taxable stumpage value—Public Timber. (6/29/90)**
- **WAC 458-40-640: Timber excise tax—Stumpage value area (map). (6/30/95)**
- **WAC 458-40-650: Timber excise tax—Timber quality codes defined. (12/29/95)**
- **WAC 458-40-660: Timber excise tax—Stumpage value adjustments. (12/30/98)**

Reviewer: **Steve Vermillion**

Date review completed: **June 18, 1999**

Is this document being reviewed at this time because of a taxpayer or business association request? (If “YES”, provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request). **YES** ☐ **NO** ☒

Type an “x” in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Explain the goal(s) and purpose(s) of the document:

WAC 458-40-630 defines “stumpage value” in general terms whereas WAC 458-40-632 defines “stumpage value” as it pertains to private timber. WAC 458-40-634 establishes who is eligible to report their taxes under the small harvester option, and further defines the criteria for being a small harvester. WAC 458-40-636 provides the criteria for determining the stumpage values on public timber in specific situations. WAC 458-40-640 provides a map to identify the haul zones or hauling distances from the nearest market center, which in turn provides an adjustment to the stumpage values when reported for the payment of timber excise taxes. WAC 458-40-650 defines the quality code numbers for each species of timber shown in the stumpage value tables. WAC 458-40-660 sets forth the stumpage value tables and the stumpage value adjustments that are used to calculate the amount of timber excise tax owed by the timber harvester.

2. Need:

YES	NO	
X		Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are



		being implemented? Does it provide detailed information not found in the statutes?)
	X	Is the document obsolete to a degree that the information it provides is of so little value that the document warrants repeal or revision?
	X	Have the laws changed so that the document should be revised or repealed? (If the response is "yes" that the document should be repealed, explain and identify the statutes the rule implemented, and skip to Section 10.)
X		Is the document necessary to protect or safeguard the health, welfare (budget levels necessary to provide services to the citizens of the state of Washington), or safety of Washington's citizens? (If the response is "no", the recommendation must be to repeal the document.)

Please explain.

3. Related ancillary documents, court decisions, BTA decisions, and WTDs: Complete
 Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an ancillary document. Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs) and Audit Directives (ADs) are considered ancillary documents.

(a)

YES	NO	
	X	Are there any ancillary documents that should be incorporated into this rule? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any ancillary documents that should be repealed because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the rule?

(b)

YES	NO	
	NA	Should this ancillary document be incorporated into a rule?
	X	Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that affects the information now provided in this document?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the document?

If the answer is "yes" to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

**4. Clarity and Effectiveness:**

YES	NO	
X		Is the document written and organized in a clear and concise manner?
X		Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
X		Is the document providing the result(s) that it was originally designed to achieve? (E.g., does it reduce the need for taxpayers to search multiple rules or statutes to determine their tax-reporting responsibilities, help ensure that the tax law and/or exemptions are consistently applied?)
X		Do changes in industry practices warrant repealing or revising this document?
	X	Do any administrative changes within the Department warrant repealing or revising this document?

Please explain. **These rules satisfy the purpose for which they were adopted, but there is room for improvement in the clarity and conciseness of the language used. Some of the information now provided in separate rules can also be combined. The information now provided in WAC 458-40-630 can be incorporated in WAC 458-40-610 (Timber excise tax—Definitions).**

The information now provided in WAC 458-40-632, 634, and 636 does not require any revision. However, the Department should incorporate the information now found in WAC 458-40-632 into WAC 458-40-660 when that rule is next revised. A cross-reference to WAC 458-20-259 (Small timber harvesters—Business and occupation tax exemption) should be added to WAC 458-40-634 when that rule is revised.

WAC 458-40-640 and 650 are outdated because of changes in growing, harvesting and marketing conditions for timber within this state. Discussions are currently ongoing with the industry regarding potential revisions to the current haul zone distances or criteria, and to redefine the quality codes for the timber. These rules should be retained as is at this time. WAC 458-40-640 provides a state map identifying the stumpage value areas while WAC 458-40-650 provides the timber quality codes for each stumpage value area. A cross-reference to each other should be added when these rules are next revised.

WAC 458-40-660 is revised through the public rule-making process on a semi-annual basis. With regards to this rule, harvest values adjustments are currently the subject of discussions with the timber industry. These discussions are being undertaken in an effort to identify changes to the current methodology that will make the resulting stumpage values more representative of current harvesting and marketing conditions.

5. Intent and Statutory Authority:

YES	NO	
X		Does the Department have sufficient authority to adopt this document? (Cite the statutory authority in the explanation below.)
X		Is the document consistent with the legislative intent of the statutes that authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed to implement ?) If “no”, identify the



		specific statute and explain below. List all statutes being implemented in Section 9, below.)
	X	Is there a need to recommend legislative changes to the statutes being implemented by this document?

Please explain. **RCW 84.33.096 explains that all sections of chapter 82.32 RCW (with the exception of RCW 82.32.270) apply to chapter 84.33 RCW. These rules are adopted under the authority of RCW 82.32.300, which directs the Department to make and publish rules.**

6. Coordination: Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.

YES	NO	
	X	Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency?

Please explain. **The Department of Revenue is solely responsible for administering the timber excise tax. The Department should continue to consult with local taxing officials, taxpayers and other state agencies when engaged in rule making for this chapter to reduce the possibility of adopting duplicative and/or inconsistent regulations.**

7. Cost: When responding, consider only the costs imposed by the document being reviewed and not by the statute.

YES	NO	
X (in part)		Have the qualitative and quantitative benefits of the document been considered in relation to its costs? (Answer "yes" only if a Cost Benefit Analysis was completed when the rule was last adopted or revised.)

Please explain. **A Cost Benefit Analysis was completed for the last revision of WAC 458-40-660 (Timber excise tax—Stumpage value adjustments).**

8. Fairness: When responding, consider only the impacts imposed by the document being reviewed and not by the statute.

YES	NO	
X		Does the document result in equitable treatment of those required to comply with it?
	X	Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?
	X	Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community?

Please explain.



9. LISTING OF DOCUMENTS REVIEWED: (Use “bullets” with any lists, and include documents discussed above. Citations to statutes, ancillary documents, and similar documents should include titles. Citations to Attorneys General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).)

Statute(s) Implemented:

- **RCW 84.33.035(5) (Definition of “stumpage value of timber”)**
- **RCW 84.33.041 (State excise tax on harvesters of timber imposed—Credit for county tax—Deposit of moneys in timber tax distribution account)—to the extent of the imposition of the timber excise tax.**
- **RCW 84.33.091 (Tables of stumpage values—Revised tables—Legislative**

Ancillary Documents (i.e., ETAs, PTBs, and ADs):

Court Decisions:

Board of Tax Appeals Decisions (BTAs):

Administrative Decisions (e.g., WTDs):

Attorney General’s Opinions (AGOs):

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):



10. Review Recommendation:

☒ Amend (WAC 458-40-640)
(WAC 458-40-650)
(WAC 458-40-660)

☐ Repeal

☒ Leave as is (WAC 458-40-630)
(WAC 458-40-632)
(WAC 458-40-634)
(WAC 458-40-636)

☐ Begin the rule-making process for possible revision. (Applies only when the Department has received a petition to revise a rule.)

☐ Incorporate ancillary document into a new or existing rule. (Subject of this review must be an ancillary document and not a rule.)

Explanation of recommendation: (If recommending an amendment of an existing rule, provide only a brief summary of the changes you've identified/recommended earlier in this review document.) **The information now provided in WAC 458-40-630, 632, 634, and 636 is correct as currently written. The Department should, nonetheless, consider combining much of the information into fewer more comprehensive rules (e.g., WAC 458-40-630 into WAC 458-40-610 and WAC 458-40-632 into WAC 458-40-660) when it begins any substantial rule making in chapter 458-40 WAC.**

WAC 458-40-640 and 650 should be revised to reflect the changes regarding current growing, harvesting and marketing practices within the timber industry, but only after further discussion with the timber industry. The Department revises WAC 458-40-660 every six months as required by law.

11. Manager action: Date: _____

☐ Reviewed recommendation ☐ Accepted recommendation

☐ Returned for further action

Comments: